



Community Keys Down Payment Assistance Program Guidelines

Updated 3/31/2021

Program Overview: This program is designed to provide a key to help more people afford to buy their own home in North Minneapolis and St. Paul neighborhoods.

Loan Amount: Community Keys provides up to \$20,000 in Down Payment and Closing Cost Assistance in two loans (\$10,000 each). The two loans must be used together in equal amounts.

Eligible Use of Funds: Funds will be used for down payment and closing costs. Community Keys funds may be layered with other Down Payment Assistance Programs such as Minneapolis HOM. Funds are available on a first come/first serviced basis.

Interest Rate & Deferred Loan Term: The loans have no monthly payments and do not accrue interest. They are paid back when you sell the home, transfer title, or no longer live in the home.

Loan Security: The loans will be secured by two mortgages in equal amounts – one in favor of Minnesota Housing Finance Agency and one in favor of NeighborWorks Home Partners.

Applicant Eligibility:

- Qualified buyers must have an annual household income that is at or below 80% of the area median income (AMI) based on the number of occupants planning on moving in at closing. For a family of two, the limit is \$60,400.
- Buyers must have a minimum cash investment of \$1,000 or 1% of the purchase price from their own verifiable funds. Gift funds, grants, or loans are not acceptable.
- Buyers must have a need for the funds based on a house payment to income ratio at or above 25%.
- Homebuyer Education: Buyers are also required to take 8 hours of homebuyer education from an approved provider or Framework (online) + a 1 hour in-person pre-purchase appointment from an approved provider.
- If you are buying a duplex, triplex, or four-plex, buyers will also need to complete Landlord Education prior to closing.
- Buyers must homestead and occupy the property as their primary residence for the life of the loans.

(continued)

Property Eligibility: Home must be located in one of the program neighborhoods:

North Minneapolis: Shingle Creek, Lind-Bohanon, Humboldt, Webber-Camden, Cleveland, Folwell, McKinley, Willard-Hay, Near North, Jordan, Hawthorn, Harrison, and Sumner-Glenwood Heritage Park

St Paul: Frogtown, Midway, North End, Payne-Phalen, and Dayton's Bluff

Application Process: Your loan officer will submit your application for you. Please allow 30 days to close from the time the complete application is submitted. Lender Timeline is available here:

Disbursement Process: If the application meets the program guidelines, the loan funds will be wired to the Title Company from NeighborWorks Home Partners. The buyer will sign the loan documents at the first mortgage loan closing.

We appreciate your cooperation and welcome your questions.

Thank you,

NeighborWorks Home Partners

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